

STATEMENT OF CONSIDERATION RELATING TO

805 KAR 1:100
Amended After Comments

Energy and Environment Cabinet
Department for Natural Resources
Division of Oil and Gas

I The public hearing on 805 KAR 1:100, scheduled for May 26, 2015 at 10:00 am was canceled. However, written comments were received during the public comment period.

II The following person submitted written comments:

| <u>Name and Title</u> | <u>Affiliation</u> |
|--|----------------------------------|
| Andrew McNeill, Executive Director | Kentucky Oil and Gas Association |
| Emily Harkenrider, Legislative Analyst | Legislative Research Commission |

III The following people from the promulgating administrative body responded to the written comments:

| <u>Name and Title</u> | <u>Affiliation</u> |
|---|----------------------------------|
| Steve Hohmann, Commissioner | Department for Natural Resources |
| Kim Collings, Director | Division of Oil and Gas |
| Marvin Combs, Asst. Director | Division of Oil and Gas |
| Michael Mullins, Regulation Coordinator | Department for Natural Resources |
| Lance Huffman, Attorney | Office of General Counsel |

IV Summary of Comments and Responses

- (1) **Subject Matter: Downgradient Testing of Water Wells**
(a) **Comment: Andrew McNeill, Kentucky Oil and Gas Association.**
Section 9 – p. 23 lines 18-23: SB 186 was carefully written to require water quality tests for “each *downgradient surface water impoundment or water supply from a groundwater source* that is used for domestic, agriculture, industrial or other legitimate use located within one-thousand (1,000) feet of the surface location of the proposed deep horizontal well.” (Emphasis added). The proposed administrative regulation deviates from the statute in this regard. KOGA recommends the regulation’s language be revised to reflect the critical distinctions included in SB 186. (i.e. “downgradient surface water impoundment” and “water supply from a groundwater source”).
- (b) **Response:** The department agrees with the commenter and will make the appropriate changes to the administrative regulation.
- (2) **Subject Matter: Codified Version of SB 186.**
(a) **Comment: Andrew McNeill, Kentucky Oil and Gas Association.**
KOGA recommends the Department use the newly codified version of SB 186 within the final proposed regulations.
- (b) **Response:** The department agrees with the commenter and will make the appropriate changes to the administrative regulation.
- (3) **Subject Matter: Technical Amendments**
(a) **Comment: Emily Harkenrider, Legislative Research Commission.**
LRC staff made several comments to ensure compliance with KRS 13A.
- (b) **Response:** The department agrees with the commenter and will make the appropriate changes to the administrative regulation.
- (4) **Subject Matter: Separation of Powers**
(a) **Comment: Emily Harkenrider, Legislative Research Commission.**
Subsections (1) through (3) of Section 2 establish authority for specific governing powers of the commission, such as rules and administrative regulations. Because of Separation of Powers, only the general assembly is authorized to establish this type of authority. KRS 13A.120(3)(5) states that: "No administrative body, other than the Court of Justice, shall issue rules.
- (b) **Response:** The department believes the administrative regulation should be amended in order to clarify the intent of these subsections. The department will make the appropriate changes to the administrative regulation.

V. Summary of Statement of Consideration and Action Taken by Promulgating Administrative Body

805 KAR 1:100. Commission's rules of procedure; spacing of deep well drilling; wildcat wells and pooling of interests. Comments were considered and the following changes are suggested:

Page 1

TITLE

Line 5

After "rules of procedure", insert a comma.

Delete the semicolon.

After "deep well drilling", insert a comma.

Delete the semicolon.

After "wildcat wells", insert a comma.

Page 1

RELATES TO

Line 7

After "KRS", insert the following:

61.874, 353.180, 353.510, 353.561 – 353.564, 353.590, 353.5901, 353.592,

After "353.652", insert the following:

, 353.6601 – 353.6606, 353.730, 353.737, Chapter 424

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 9

After "FUNCTION, AND CONFORMITY:", insert the following:

KRS 353.565 authorizes the Kentucky Oil and Gas Conservation Commission to promulgate administrative regulations necessary to prevent the waste, protect correlative rights, govern the practice and procedure of the commission, and administer the provisions of KRS 353.651 and 353.652.

After "KRS 353.565", insert "(5) and (7)(a) require".

Delete "requires".

Line 11

After "drilling, drilling units", insert a comma.

Lines 12 and 13

After "This administrative regulation", insert "establishes".

Delete the following:

provides information necessary for owners and operators to
comply with

Line 13

After "deep horizontal wells", insert the following:

for the purpose of oil or gas extraction

Delete "in the Commonwealth".

Page 1

Section 1(2) and (3)

Lines 18 and 19

After "(2)", delete the remainder of subparagraph (2) in its entirety and delete the notation, "(3)".

Pages 1 and 2

Sections 1(3) and (4)

Lines 1 and 2

After "KRS 353.510(6).", insert "(3)".
Delete "(4)".

Page 2

Section 1(4) through (6)

Lines 1 through 3

After "KRS 353.510(16).", insert "(4)".
Delete subsection (5) in its entirety and delete the notation, "(6)".

Page 2

Section 1(7) through (10)

Lines 4 through 7

Renumber subsections (7) through (10) as subsections (5) through (8), respectively.

Page 2

Section 1(10) through (12)

Lines 7 through 9

After "KRS 353.510(25).", insert "(9)".
Delete subsection (11) in its entirety and delete the notation, "(12)".

Page 2

Section 1(13) and (14)

Lines 10 and 11

Renumber subsections (13) and (14) as subsections (10) and (11), respectively.

Page 2

Section 1(14)

Lines 11 and 12

After "a royalty owner,", insert "with".
Delete "that has".

Line 12

After "share of production", delete the comma.

Lines 12 and 13

After "derived from production", insert "that is: (a)".

Delete ", which is" and capitalize the first letter of "free".

Line 13

After "drilling and production", insert a semicolon.

After "and", insert "(b)".

Delete "which is" and capitalize the first letter of "created".

Page 2

Section 1(15) through (21)

Lines 15 through 21

Renumber subsections (15) through (21) as subsections (12) through (18), respectively.

Page 2

Section 1(21)

Line 21

After "or horizontal well", insert "that".

Delete "which".

After "is", insert "drilled".

Page 2

Section 1(21)(a)

Line 21

After "(a)", delete "Drilled".

Capitalize the first letter of "with".

Pages 2 and 3

Section 1(21)(b)

Lines 23 and 1

After "location; or (b)", delete "drilled".

Capitalize the first letter of "under" and delete "such".

Page 3

Sections 1(21)(b) and 1(22)

Lines 3 and 4

After "previously productive pool.", insert "(19)".

Delete "(22)".

Page 3

Section 1(22)

Line 4

After "means an operator", insert "with".

Delete "that has".

Page 5

Section 2(1) and (2)

Lines 16 through 23

After "Rules of Procedure. (1)", insert the following:

(a) Except as established in paragraph (b) of this subsection, all orders of the commission establishing drilling units, pool or field-wide units, or special field rules, shall be issued only after notice and hearing in accordance with this administrative regulation and consistently with the provisions of KRS 353.500 to 353.720.

(b) The commission may issue emergency orders without notice and without an initial hearing upon a finding of necessity to prevent waste, irreparable injury, or other cause.

1. An emergency order shall remain in effect for not more than forty-five (45) days from the effective date.

2.a. Immediately upon entering an emergency order, the commission shall call a hearing on the subject matter thereof.

b. The hearing shall be held prior to the expiration of the order.

(2) A public hearing pursuant to KRS Chapter 13B shall be conducted by the commission:

(a) As a result of a reported violation of a requirement of this administrative regulation;

(b) To consider a permit application;

(c) Upon a request to establish a drilling unit, pool, field-wide unit, or special field requirement or;

(d) A combination of items established in paragraphs (a) through (c) of this subsection.

Delete the remainder of subsection (1) in its entirety, delete subsection (2) in its entirety.

Page 6

Section 2(4)

Lines 8 and 9

After "for the commission.", insert the following:

(a) Each written request for a hearing and hearing

Delete the following:

All applications or requests for hearings and all hearings

Line 10

After "a file carrying", insert "each".

Delete "such".

Lines 10 and 11

After "by the director.", insert the following:

(b) Each written request for a hearing;

Delete "All applications for hearing,".

Line 11

After "of its publication", insert the following:

pursuant to subsection (7) of this section;

Delete the comma.

Line 13

After "subject matter thereof", insert a semicolon.

Delete the comma.
After "at the hearing", insert a semicolon.
Delete the comma.

Line 14

After "the commission concerning", insert "the".
Delete "such".

Line 15

After "the file carrying", insert "the".
Delete "such".

Line 16

After "number.", insert "(c)".

Line 17

After "or its employees.", insert "(d)".

Line 18

After "Copies of", insert "written requests for hearings.".
Delete "all such".

Line 20

After "Open Records Act", insert the following:
 , KRS 61.874.
 (e) Each notice
Delete ". All notices".

Pages 6 and 7

Section 2(4)

Lines 20 through 22

After "docket number thereof.", delete the following:
 Copies of applications for hearing shall be furnished by the
 director to any person upon request in accordance with the
 Kentucky Open Records Act.

Page 7

Section 2(6)

Line 3

After "(6)", insert "(a)".

Lines 4 and 5

After "thirty (30) days", insert "(b)".
Delete the following:
 , and after such hearing and with all convenient speed,
 and in any event
Capitalize the first letter of "within".

Line 5

After "of the hearing", insert "the commission".

Page 7

Section 2(7)

Line 7

After "(7)", insert "(a)".
After "Notice of", insert "each hearing".
Delete "all hearings".
After "given by publication", delete the following:
 , as authorized by KRS 353.680,

Line 8

After "KRS Chapter 424.", insert "(b) If".
Delete "When".

Line 10

After "commission shall give", insert "the".
Delete "such".

Line 11

After "mailing address as", insert "established".
Delete "provided".

Page 7

Section 2(8)

Line 13

After "(8)", insert "(a)".
After "general mailing list", insert "of".
Delete "and shall place thereon".

Lines 14 and 15

After "be included on", insert "the general mailing".
Delete "such".

Line 15

After "Each person on", insert "the general".
Delete "such".

Line 16

After "by the commission.", insert "(b)".

Line 18

After "place on each", insert "mailing for each field".
Delete "such".

Line 19

After "to be included", delete "thereon".

Line 20

After "mailing list for", insert "a".
Delete "any".

Line 21

After "by the commission", insert "pertaining to that".
Delete "as to such".
After "field.", insert "(c)".

Lines 21 and 22

After "a notice to", insert the following:
 a person on a list established by this section shall not
 invalidate a

Delete the following:
any such person shall not affect the validity of any

Pages 7 and 8

Section 2(8)

Lines 22 and 23 and 1

After "held pursuant to", insert "this section".

Delete the following:

the notice published in accordance with subsection (7) of
this section or any rule, administrative regulation, or order
issued pursuant to such hearing,

Page 8

Section 2(8)

Line 1

After "unless", insert the following:

the person omitted from the notice mailing

Delete the following

such person is one reasonably

Page 8

Section 2(8) and (9)

Lines 2 through 7

After "rules are proposed", delete the remainder of subsection (8), except the
period.

Page 8

Section 2(9)

Line 7

After "(9)", insert the following:

Each notice of a hearing

Delete "Notices of all hearings".

After "shall state the", insert ":(a)".

Capitalize the first letter of "time".

After "of the hearing", insert ":(b)".

Delete ", the".

Capitalize the first letter of "name".

Line 8

After "requesting the hearing", insert the following:

;

(c) Nature of the hearing;

(d)

Delete ", the nature thereof, the".

Capitalize the first letter of "action".

After "sought", insert ";and (e)".

Delete ", and the".

Capitalize the first letter of "docket".

Page 8

Section 2(10)

Line 9

After "(10)", insert "A".

Delete "No".

After "personal service shall", insert "not".

Line 10

After "or 353.652", insert the following:

and to each person reasonably known to have an interest in

the proceedings before the commission

Delete the remainder of subsection (10), except the period.

Pages 8 and 9

Section 2(12) through (14)

Lines 13 through 23 and 1 through 5

After "(12)", insert "An".

Delete the remainder of subsection (12), delete subsection (13) in its entirety, and delete "(14) All".

Page 9

Section 2(14)

Line 5

After "interested", insert "person".

Delete "persons".

After "be heard at", insert "a hearing".

Delete "all hearings".

Lines 6 and 7

After "or technical assistance.", insert the following:

In addition to verbal testimony.

Lowercase the first letter of "The".

Page 9

Section 2(14) and (15)

Lines 7 and 8

After "writing and filed.", insert "(13)".

Delete "(15)".

Page 9

Section 2(15)

Line 8

After "In", insert "a".

Delete "any".

Page 9

Section 2(15) and (16)

Lines 11 and 12

After "of hearing.", insert "(14) Each hearing".

Delete "(16) Hearings".

Page 9

Section 2(16) and (17)

Lines 14 and 15

After "of the hearing.", insert "(15) Each witness".

Delete "(17) All witnesses".

Page 9

Section 2(17)

Lines 16 and 17

After "shall be subject", delete the comma.

Lines 17 and 18

After "any party or", insert "the party's".

Delete "its".

Page 9

Section 2(17) and (18)

Lines 18 and 19

After "legal representative.", insert "(16)".

Delete "(18)".

Page 9

Section 2(18)

Line 19

After "in contested matters", insert "in which".

Delete "where".

Line 21

After "right to reject", insert "an affidavit".

Delete the following:

any and all such affidavits

After "appear in person", insert the following:

if more information is necessary

Page 9

Sections 2(18) and (19)

Lines 21 and 22

After the final period in subsection (18), insert "(17)".

Delete "(19)".

Pages 9 and 10

Section 2(19)

Lines 23 and 1

After "of the commission.", insert "An objection".

Delete the following:
When so interposed, such objections

Page 10

Section 2(19)

Line 1

After "the acting chairman," insert "the".
Delete "his".

Page 10

Sections 2(19) and 2(20)

Lines 2 and 3

After "the commission members", insert "present. (18) Each party".
Delete the following:
then sitting.
(20) All parties

Page 10

Section 2(20)

Line 3

After "presenting", insert "an exhibit".
Delete "exhibits".

Lines 3 and 4

After "with the reporter.", insert the following:
A suggested form of order shall be filed as five (5) copies
Delete the following:
All suggested forms of orders shall be presented in
quintuplicate

Lines 4 and 5

After "by the commission", insert the following:
if compliance would be unduly burdensome

Page 10

Section 2(20) and (21)

Lines 5 and 6

After "by the commission.", insert "(19)".
Delete "(21)".

Page 10

Section 2(21)

Line 6

After "The commission shall", delete "from time to time".

Line 7

After "competent reporter", insert the following:
or videographer. (a) Each hearing
Delete ". All hearings".

After "by a reporter", insert "or videographer".

Line 8

After "to discharge his", insert "or her".

Lines 8 and 9

After "duties", delete the remainder of this sentence, except the period.

Line 9

After the period, insert "(b)".

After "The reporter", insert "or videographer".

After "shall transcribe", insert "or record".

Lines 9 and 10

After "of the commission.", insert the following:

(c) If a transcript or video record is ordered by the
commission, the transcript or video record

Delete the following:

When such an order has been entered, transcripts

Line 10

After "shall be available for", insert ":(a)".

Capitalize the first letter of "inspection".

Line 11

After "commission in Frankfort", insert ":(a) and (b)".

Delete the following:

, Kentucky and transcripts shall be available for

Capitalize the first letter of "purchase".

Line 12

After "from the reporter", insert "or videographer".

After "transcripts of evidence", insert "or video records".

Pages 10 and 11

Section 3(1)

Lines 19 and 1

After "the productive formation.", insert "(a)".

Page 11

Section 3(1)

Line 2

After "oil or gas", insert "shall".

Delete "should".

Lines 3 and 4

After "the permit application.", insert "(b)".

Delete the following:

The director may, however, require additional proof.

Lines 4 and 5

After "wildcat well, it", insert "shall".

Delete "may".

Lines 5 and 6

After "requirements and spacing", insert the following:

requirements established in Section 4 of this administrative regulation

Delete "regulations".

Line 6

After "formation or pool.", insert "(c)".

After "The director may", delete ", in his discretion,".

Lines 7 and 8

After "wildcat well and", insert "shall establish permit".

Delete "may fix such".

After "conditions", insert "to".

Delete the following:

as, in his judgment, will

Lines 9 and 10

After "grants permission for", delete "such".

Line 10

After "testing,", delete "he shall inform".

After "of the commission", insert "shall be informed".

After "in writing of", insert "the".

Delete "his".

Line 11

After "action.", insert "(d)".

After "operator files an", insert the following:

Application for Permit, ED-1, incorporated by reference in 805 KAR 1:140

Delete the following:

application for a wildcat well, pursuant to this section

Lines 12 and 13

After "commission. The commission", insert "shall consider".

Delete "may hear".

Line 13

After "new application if", insert "the commission".

Delete "it".

Lines 13 and 14

After "application, that conditions", delete "may".

Page 11

Section 3(2)

Line 18

After "to the rules", insert "established".

Delete "provided".

Page 12

Section 4(1)

Line 1

After "(1)", insert "(a)".

Line 3

After "the commission, the", insert the following:

Application for Permit, ED-1, incorporated by reference
in 805 KAR 1:140,

Delete "application".

Line 5

After "feet or more.", insert "(b)".

Line 8

After "feet or more.", insert "(c)".

Page 12

Section 4(2)

Line 12

After "(2) Except as", insert "established".

Delete "provided".

Lines 12 and 13

After "of this section", insert the following:

, a vertical deep gas well drilled to a depth:

(a)

Delete the following:

no vertical deep gas well drilled to a depth

Capitalize the first letter of "less".

Line 13

After "7,000 feet shall", insert "not".

Lines 13 and 14

After "the proposed unit", insert a semicolon.

Delete the comma.

Line 14

After "and", insert "(b)".

Delete the following:

no vertical deep gas well drilled to a depth

Capitalize the first letter of "of".

After "or more shall", insert "not".

Page 12

Section 4(3)

Line 16

After "(3) Except as", insert "established".

Delete "provided".

Lines 16 and 17

After "of this section", insert the following:

, a deep oil well drilled to a depth:

(a)

Delete the following:

no deep oil well drilled to a depth

Capitalize the first letter of "less".

Line 17

After "7,000 feet shall", insert "not".
After "the proposed unit", insert a semicolon.
Delete the comma.

Lines 17 and 18

After "and", insert "(b)".
Delete the following:
no deep oil well drilled to a depth
Capitalize the first letter of "of".

Line 18

After "or more shall", insert "not".

Page 12

Section 4(4)(a)

Line 20

After "(4)(a)", insert the following:
Pursuant to paragraph (b) of this subsection,
Lowercase the first letter of "Upon".
After "showing a necessity", delete "therefor".

Lines 20 and 21

After "the director", insert "shall".
Delete "may in his discretion".

Line 21

After "grant", insert the following:
a permit in accordance with subparagraphs 1. through 4.
of this paragraph. A vertical deep oil well at a depth
Delete the following:
permits with the following limitation on well location

Page 12

Section 4(4)(a)1.

Line 22

After "1.", delete the following:
A vertical deep oil well at a depth
Capitalize the first letter of "less".
After "than 7,000 feet", insert "shall not".
Delete "may".
After "be located", delete "no".

Line 23

After "the proposed unit", insert a semicolon.
Delete the period.

Page 13

Section 4(4)(a)2.

Line 1

After "2.", delete the following:

A vertical deep oil well at a depth
Capitalize the first letter of "of".
After "feet or more", insert "shall not".
Delete "may".
After "be located", delete "no".

Line 2

After "the proposed unit", insert a semicolon.
Delete the period.

Page 13

Section 4(4)(a)3.

Line 3

After "3.", delete the following:
A vertical deep oil well at a depth
Capitalize the first letter of "of".
After "than 7,000 feet", insert "shall not".
Delete "may".
After "be located", delete "no".

Line 4

After "the proposed unit", insert "; and".
Delete the period.

Page 13

Section 4(4)(a)4.

Line 5

After "4.", delete the following:
A vertical deep gas well at a depth
Capitalize the first letter of "of".
After "feet or more", insert "shall not".
Delete "may".
After "be located", delete "no".

Page 13

Section 4(4)(b)

Line 7

After "grant a permit", insert "pursuant to".
Delete "under".

Lines 7 and 8

After "the provisions of", insert the following:
paragraph (a) of this subsection
Delete the following:
subsection (4)(a) of this section

Line 8

After "presence of evidence", insert "that supports".
Delete "which reasonably substantiates".

Line 9

After "Upon granting", insert "this".
Delete "such a".

Line 10

After "commission of his", insert "or her".

Page 13

Section 4(4)(c)

Line 13

After "shall determine", insert "if".
Delete "whether".

Page 13

Section 4(5)(a)

Line 17

After "(5)(a)", insert "A location that varies".
Delete "Locations varying".
After "from the limitations", insert "established".
Delete "provided".

Line 18

After "of this section", insert "shall".
Delete "may".

Line 22

After "unduly burdensome.", insert "A written request".
Delete "An application".

Page 14

Section 4(5)(a)

Lines 2 and 3

After "the proposed location.", delete the remainder (last sentence) of paragraph (a) in its entirety.

Page 14

Section 4(5)(b)

Line 4

After "(b)", insert "If".
Delete "When".

Lines 4 and 5

After "of topographical conditions, it", insert "shall be demonstrated".
Delete "must be shown".

Lines 5 and 6

After "applicant accruing from", insert "the".
Delete "such".

Page 14

Section 4(5)(c)

Line 7

After "(c)", insert "If".
Delete "Whenever".
After "commission shall take", delete "such".

Lines 7 and 8

After "concurrent action as", delete "may be".

Line 10

After "a regular unit,", insert "if".
Delete "whether".

Line 11

After "pool in question,", insert "the".
Delete "such".

Line 12

After "acreage content of", insert "the".
Delete "such".

Page 14

Section 4(6)

Line 14

After "(6)", delete "No portion of".
Capitalize "a".
After "proposed unit", insert the following:
, a portion of a proposed unit
After "or", insert "a".

Line 15

After "is located shall", insert "not".

Page 14

Section 4(7)(a)

Line 17

After "(7)(a)", insert "1.".

Line 20

After "a factor 0.087156.", insert "2.".

Line 22

After "any measured depth.", insert "3.".

Line 23

After "depth, the deviation", insert "shall".
Delete "must".

Page 15

Section 4(7)(a)

Line 1

After "drilling", insert "shall".
Delete "will".
After "the specified limit.", insert "4.".

Lines 1 and 2

After "of a survey", insert "indicating".

Delete the following:

showing or in the presence of knowledge giving rise to a
reasonable belief

Line 3

After "inform the director.", insert "5.a".

Line 6

After "or to sidetrack", insert "debris".

Delete "junk".

Line 7

After "mechanical difficulties,", insert "the operator".

Delete "he".

Line 9

After "before commencing", delete "such operations".

After the period, insert "b".

Line 10

After "unit lines as", insert "required".

Delete "prescribed".

Page 15

Section 4(7)(b)

Line 12

After "unit line where", insert "the".

Delete "such".

Line 14

After "permit to drill", insert "shall".

Delete "will".

After "be issued", insert "and".

Delete "with the understanding that".

Line 15

After "the operator", insert "shall".

Delete "will".

After "be required to", insert "submit to".

Delete "furnish".

After "the commission", delete "with".

Line 16

After "that the well", insert "shall".

Delete "will".

Line 17

After "compliance is issued.", insert "1".

Lines 17 and 18

After "be made on", insert "each well".

Delete "all wells".

Line 19

After "1,000 feet apart.", insert "2".

Lines 19 and 20

After surveys conforming to", insert "this section shall".
Delete "these requirements may".

Line 21

After "total depth.", insert "3.".
Delete "Such".
Capitalize the first letter of "survey".

Line 23

After "assuming that all", delete "such".

Page 16

Section 4(7)(b)

Line 1

After "nearest unit line.", insert "4.".

Line 2

After "of the well,", insert the following:
there shall not be a requirement to submit
Delete the following:
it shall not be necessary to furnish

Page 16

Section 4(7)(c) and (d)

Lines 4 through 6

After "(c)", delete the remainder of paragraph (c) in its entirety and delete the notation "(d)".

Page 16

Section 4(7)(d)

Lines 8 and 9

After "of the hearing.", insert "1.".

Line 10

After "submitted with the", insert "written request".
Delete "application".

Line 11

After "notices of hearing.", insert "2. If".
Delete "When".
After "necessary, the commission", insert "shall".
Delete "may".

Line 13

After "unit or units.", insert "3.".

Line 14

After "any subsequent time", insert ". 4.".
Delete "; provided, however, that".
Capitalize the first letter of "if".

Page 16

Section 4(8)

Line 18

After "(8)", delete "No".
Capitalize the first letter of "additional".
After "deep vertical well", insert "shall not".
Delete "will".

Line 19

After "plat is filed", insert ". Once".
Delete ", and when".

Lines 19 and 20

After "any subsequent wells,", delete "no".

Line 20

After "vertical well shall", insert "not".
After "be issued", insert "if the permits".
Delete which".

Page 17

Section 5(1)

Line 1

After "(1)", insert "In accordance with".
Delete "Under".

Lines 1 and 2

After "the procedures", insert "established".
Delete "contained".

Line 2

After ", the commission", insert "shall".
Delete "is authorized to".

Line 3

After "the purposes of", insert ":(a)".
Capitalize the first letter of "achieving".

Line 4

After "and gas from", insert "the".
Delete "such".
After "reservoir", insert ":(b)".
Delete the comma.
Capitalize the first letter of "preventing".
After "waste", insert a semicolon.
After "and", insert "(c)".
Capitalize the first letter of "protecting".

Page 17

Section 5(2)

Line 6

After "(2) If the", insert the following:
Application for Permit, ED-1, incorporated by reference
in 805 KAR 1:140,

Delete the following:
application to permit a single deep horizontal well

Line 9

After "and operation of", insert "the".
Delete "such".

Line 10

After "production from", insert the following:
the well.
(a) A written request
Delete "Such well. An application".
After "to create", delete "such".
After "unit, shall include", insert "": 1.".
Capitalize the first letter of "all".

Line 11

After "KRS 353.652 and", insert "805 KAR Chapter 1;".
Delete "applicable regulations".
After "and", insert "2.".
Capitalize "a".
After "the proposed unit.", insert "(b)".

Line 12

After "also include the", insert "": 1.".
Capitalize the first letter of "surface".

Lines 12 and 13

After "the proposed well", insert "": 2.".
Delete ", the".
Capitalize the first letter of "directional".

Line 13

After "of the wellbore", insert a semicolon.
Delete the comma.
After "and", insert "(c)".
Delete "the".
Capitalize the first letter of "point".

Line 14

After "producing formation.", insert "(d)".

Line 15

After "for the unit", insert "that".
Delete "which".
After "shall include the", insert "": 1.".
Capitalize the first letter of "surface".

Line 16

After "each well", insert "": 2.".
Delete ", the".
Capitalize the first letter of "directional".
After "of the wellbore", insert a semicolon.
Delete the comma.
After "and", insert "3.".

- Delete "the".
Capitalize the first letter of "point".
- Line 17**
After "proposed producing formation.", insert "(e)".
After "be fair, reasonable", insert a comma.
Delete "and".
- Line 18**
After "equitable", insert a comma.
- Page 17**
Section 5(3)
Line 21
After "and the commission", insert "shall".
Delete "will".
- Line 22**
After "the requested unit.", insert "The".
Delete "Such".
- Lines 22 and 23**
After "shall be held", delete the following:
within a reasonable period of time, but
- Page 18**
Section 5(3)
Line 1
After "the pending application.", insert "(a)".
After "The director", insert "shall".
Delete "will promptly".
- Line 3**
After "and information filed", insert ". 1.".
Delete "therewith".
- Lines 3 and 4**
After "reviewing the", insert "written request".
Delete "application".
- Line 5**
After "the findings required", insert "by".
Delete "under".
After "KRS 353.652,", insert "the commission shall".
Delete "it may".
- Line 6**
After "to the hearing.", insert "2.".
- Line 7**
After "commission", insert "shall".
Delete "will promptly".
After "the additional information", insert "shall".
Delete "may".
- Line 8**

After "hearing or it", insert "shall".

Delete "may".

After "at the hearing.", insert "(b)".

Line 9

After "the operator, and", insert "to".

Page 18

Section 5(4)

Lines 14 and 15

After "the hearing that", insert "the".

Delete "such".

Line 15

After "and that it", insert "shall".

Delete "will".

Line 17

After "recovered based upon", delete the following:
, but not necessarily limited to, the following factors

Page 18

Section 5(4)(b)

Lines 20 and 21

After "proposed deep horizontal", insert "well".

Delete "well(s)".

Page 18

Section 5(4)(f)

Lines 3 and 4

After "the well treatment;", insert "and".

Page 19

Section 5(4)(g)

Line 5

After "(g)", insert "A".

Delete "Any".

After "combination", insert the following:

of the factors established in paragraphs (a) through (f)
of this subsection

Delete "thereof".

Page 19

Section 5(5)

Line 6

After "(5)", insert "(a)".

After "shall determine if", insert "the".

Page 19

Sections 5(5) and 5(5)(a)

Lines 6 and 7

After the semicolon, insert "1.".

Delete "(a) The".

Capitalize the first letter of "proposed".

Page 19

Section 5(5)(a)

Line 7

After "pooling", insert "or".

Delete "and/or".

Page 19

Section 5(5)(a) and (b)

Lines 8 through 10

After "horizontal well technology;", insert "2.".

Delete "(b) The".

Capitalize the first letter of "use".

Line 11

After "the reservoir", insert ";a.".

Capitalize the first letter of "is".

After "feasible", insert ";b.".

Delete the comma.

Capitalize the first letter of "will".

After "prevent waste", insert ";c.".

Delete the comma.

Capitalize the first letter of "will".

After "protect correlative rights", insert a semicolon.

After "and", insert "d.".

Capitalize the first letter of "will".

Page 19

Section 5(5)(b) and (c)

Lines 13 and 14

After "be recovered; and", insert "3.".

Delete "(c)".

Line 16

After "within the unit.", insert "(b)".

Line 19

After "conditions", delete "as may be".

After "reasonable, equitable and", insert "that shall be".

Delete "which are".

Page 20

Section 5(6)(b)

Line 2

After "to the order", insert a semicolon.
Delete the colon.

Page 20

Section 5(6)(e)

Lines 7 and 8

After "designated unit operator", insert "shall".
Delete "must".

Page 20

Section 5(7)

Lines 11 and 12

After "unit shall be", delete "defined as".

Page 21

Section 6

Line 4

After "days, the operator", delete "thereof".

Line 5

After "from the director.", insert "(1)".
After "The", insert "written request".
Delete "application".

Line 7

After "plat of", insert "each well".
Delete "the well(s)".
After "in the unit", delete the following:
, adequate to satisfy the director

Lines 8 and 9

After "as set forth", delete "therein".

Lines 9 and 10

After "by the commission.", insert "(2)".

Page 22

Section 7

Line 5

After "Section 7.", insert "Request".
Delete "Application".

Page 22

Section 7(1)

Line 5

After "(1)", insert "If".
Delete "When".

Line 7

After "quantities, the operator", delete "thereof".

Line 9

After "whether drilled by", insert "the operator".
Delete "him".
After "or another operator,", insert "request".
Delete "apply".

Page 22

Section 7(2)

Line 12

After "(2)", insert "A written request".
Delete "An application".

Page 22

Section 7(3)

Line 14

After "a discovery well", delete "an operator believes that".

Line 15

After "statewide spacing rules,", insert "the operator".
Delete "he".

Line 16

After "proceed by", insert "requesting".
Delete "applying".

Page 23

Section 8(1)

Line 9

After "may be reformed", insert "only".

Page 23

Section 8(2)

Line 11

After "(2)", insert "(a)".
After "reform drilling units", insert "shall".
Delete "must".
After "specify that there", insert ": 1.".
Capitalize the first letter of "is".

Lines 11 and 12

After "new geological", insert "data; 2. Is new".
Delete "or".

Line 12

After "geophysical data", insert a semicolon.
After "or", insert "3.".
Delete "there".
Capitalize the first letter of "was".
After "proposed drilling of", insert "each well".
Delete "well(s)".

Line 13

After "plan of development", insert "that".
Delete "which".

Line 14

After "of the data.", insert "(b) A unit shall".
Delete "Units will".
After "the absence of", insert "the".
Delete "such".

Lines 14 and 15

After "data", insert the following:
required by paragraph (a) of this subsection.
(c)1. New data shall
Delete ". Generally, "new data" must".

Line 15

After "of the hearing", insert a comma.

Line 16

After "proposed for reformation.", insert "2.".

Lines 16 and 17

After "the prior hearing", insert "shall".
Delete "will".

Page 23

Section 9

Lines 20 through 21

After "baseline water", insert the following:
quality test of each down-gradient surface water impoundment or water
supply
Delete "testing".

Lines 22 and 23

After "wellhead pursuant to", insert "KRS 353.6602".
Delete the following:
2015 Ky. acts ch. 21, sec. 6(1)

Page 24

Section 9(1)

Line 1

After "or operator shall", insert "submit a notarized".
Delete "complete an".

Line 2

After "Fracturing Treatment, Form", insert "ED-40".
Delete "ED-XX".

Lines 2 and 3

After "identifying the", delete "following".

Page 24

Section 9(2)

Lines 12 and 13

After "fracturing pursuant to", insert the following:

KRS 353.6602.

(3) Laboratory analysis shall be conducted by a
certified laboratory pursuant to KRS 353.6602(2).

Delete the following:

2015 Ky Acts ch. 21, sec. 6(2)

Page 24

Section 10(1)

Lines 14 and 15

After "Source within 1,000", insert "Feet".

Delete "ft".